

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

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In Re: Case No:

RESIDENTIAL CAPITAL, LLC, et. al., 12-12020(MG)

Debtors.

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VIDEOTAPE DEPOSITION OF TIMOTHY DEVINE

New York, New York

November 19, 2012

10:17 a.m.

Reported by:
ERICA L. RUGGIERI, RPR
JOB NO: 27973

1 TIMOTHY DEVINE
2 witness, having been duly sworn by a
3 Notary Public, was examined and testified
4 as follows:

5 EXAMINATION BY

6 MR. KAUFMAN:

7 Q. Good morning, Mr. Devine.

8 A. Good morning.

9 Q. You are the chief litigation
10 counsel with Ally Financial, Inc.,
11 correct?

12 A. Chief counsel litigation at Ally
13 Financial, Inc.

14 Q. And how long have you held that
15 position?

16 A. I took that position in January
17 of 2011.

18 Q. Do you report directly to AFI's
19 general counsel William Solomon?

20 A. Yes.

21 Q. And have you reported
22 Mr. Solomon since you took the position
23 you now hold?

24 A. Yes.

25 Q. In the hierarchy of AFI's legal

1 TIMOTHY DEVINE
2 describe as the RMBS or put back
3 litigation, and I'd include in that
4 definition both the monoline claims that
5 were in litigation and any put back claims
6 that -- that might have been asserted?

7 A. The first substantial contact I
8 had within my job duties with the mortgage
9 business was in the summer of 2010 when
10 the FHFA propounded 64 subpoenas across
11 the industry and I was asked to coordinate
12 the response to the subpoenas that were
13 issued to the company.

14 Q. Did you supervise outside
15 counsel with respect to the monoline
16 litigation either MBIA or FGIC litigation?

17 A. Have I done that?

18 Q. Yes.

19 A. Yes.

20 Q. When you were representing AFI
21 from the time of the October letter that
22 Ms. Patrick sent to the signing of the
23 settlement agreement, were you solely
24 representing AFI or were you also
25 representing ResCap during that time

360

1 TIMOTHY DEVINE

2 period from October forward?

3 A. Well, we should probably be
4 careful with regard to what you mean by
5 representing. The -- as I recall, the
6 first communication from Kathy Patrick
7 came in to Bill Solomon in his capacity as
8 general counsel of Ally Financial, Inc.
9 He responded by indicating to Ms. Patrick
10 that Ally Financial, Inc. did not have
11 exposure of the variety that she wanted to
12 talk about settling. And referred her to
13 Tammy Hamzephour, general counsel for
14 ResCap.

15 What -- my participation in
16 connection with meeting with Ms. Patrick,
17 I think Mr. Sheeren was there at the first
18 meeting in Minnesota, I don't recall
19 exactly. But in any event, I was there in
20 my capacity as chief counsel for
21 litigation for ResCap, given that
22 Ms. Patrick purported to represent clients
23 who purported to have rep and warrant
24 essentially contract claims against the
25 contracting parties, all of whom were

1 TIMOTHY DEVINE

2 within the ResCap structure and none of
3 whom were within the Ally structure.

4 Q. So at that time in that meeting,
5 if I understand, it took place sometime
6 between October, November, December,
7 sometime in 2011, the last quarter?

8 A. I don't recall when it took
9 place. I think we have had some testimony
10 on it today. If there's a document we
11 could refer to it.

12 Q. I'm going to try to do this
13 without -- without taking the time to go
14 back to the documents.

15 A. Okay, thank you.

16 Q. So initially you were
17 representing ResCap in what I will call
18 the Kathy Patrick negotiations with
19 respect to her claims?

20 A. Well --

21 MR. BRYAN: Objection to form.

22 A. I -- I understand that you would
23 call them negotiations. So I think that
24 term is going to end up being understood
25 in a number of different ways. What --

1 TIMOTHY DEVINE
2 what went on for some period of time with
3 Kathy Patrick was an exchange of
4 communications designed to understand the
5 nature of her representation, who her
6 clients were, what kind of claims they
7 were purporting to make. And so to the
8 extent that that is a prelude to or a part
9 of or a type of negotiation, yes. So for
10 a period of time I was supporting those
11 discussions in my capacity in support of
12 the ResCap entities.

13 Q. You understood that Ms. Patrick
14 was asserting that ResCap owed her clients
15 a substantial amount of money?

16 A. Yes.

17 Q. So you -- did she at some
18 point -- what was the first, her first
19 demand or her first claim that she made
20 against ResCap, do you recall?

21 A. As I sit here today, I don't
22 recall her first demand.

23 Q. Did she ask for \$10 billion?

24 A. Now, you are talking about once
25 the discussions started to take place for

1 TIMOTHY DEVINE

2 a compromise of those claims within the
3 context of a ResCap filing.

4 Q. At any point?

5 A. Yeah. So I believe that she did
6 at one point in the negotiations but now
7 this was within the context of a potential
8 ResCap filing at which time I was not
9 representing ResCap in connection with a
10 potential resolution of claims against the
11 ResCap estate.

12 Q. Okay. So if I understand your
13 testimony correctly, you initially started
14 out representing ResCap and then at some
15 point you were no longer representing
16 ResCap. Could you explain to me when your
17 role and responsibility changed?

18 A. I think you've slightly
19 misunderstood but I don't blame you. At
20 some point -- because it wasn't entirely
21 clear, right. At some point -- look, when
22 we started the discussions with Kathy
23 Patrick, I was representing the ResCap
24 entities in connection with the assertion
25 that they had -- that Kathy Patrick did

1 TIMOTHY DEVINE
2 represent clients who did or did not under
3 the relevant documents have contract
4 claims against ResCap. And that was
5 natural because I had been dealing with
6 that kind of assertion of claim, although
7 not by investors and trustees but rather
8 by the monolines against the ResCap
9 entities theretofore.

10 At some point ResCap began to
11 consider a Chapter 11 restructuring. I
12 did not represent ResCap at all in
13 connection with this Chapter 11
14 restructuring, unless you consider the
15 nature of our discussions according to the
16 common interest or joint defense privilege
17 in which case that's why I don't blame you
18 for misunderstanding the nature of what I
19 just talked about. But so, yes, I did
20 represent ResCap in connection with the
21 sort of bilateral claim of Kathy Patrick's
22 clients against the ResCap entities and
23 rep and warrant. Once the context of the
24 restructuring became a part of that
25 dialogue, ResCap was represented by Gary

1 TIMOTHY DEVINE
2 Lee of MoFo. I never represented ResCap
3 on a bankruptcy related resolution. At
4 least unless you -- as I say, I did
5 continue to advise ResCap in connection
6 with plain sort of legal analysis on rep
7 and warrant issues but not so much as
8 would be implicated in connection with the
9 filing.

10 Q. Thank you for that and let me
11 try to make sure I understand correctly.
12 To try to summarize. In the beginning of
13 from October for some period of time in
14 the initial stages that you've described
15 as essentially information gathering
16 stages, you were representing ResCap. By
17 the end, by the April and May time period
18 that we have looked at a variety of
19 e-mails by that time period you were no
20 longer representing ResCap, you would have
21 solely been representing AFI, is that
22 correct, am I bracketing the change in
23 role correctly?

24 A. No. I think you are missing one
25 part of it. But it's -- it's

1 TIMOTHY DEVINE
2 directionally correct. So first of all,
3 the difficulty with the word
4 "representing" given that there were no
5 pleadings in the matter, nobody appeared
6 as counsel of record, et cetera. So let's
7 for a moment agree that the term
8 "representing" is somewhat subject to a
9 variety of definitions and understandings.

10 Q. I would use representing as
11 representing in the context of the
12 negotiations. Representing a client, be
13 it AFI or ResCap, in dealing with
14 Ms. Patrick or the Talcott Franklin group
15 that came in at the end. If you
16 understand that.

17 A. Uh-hum. So there -- there were
18 certainly throughout the relevant period
19 transactions and discussions,
20 communications -- transactions meaning
21 information exchange, et cetera, between
22 the ResCap parties and Kathy Patrick on
23 the one hand or Talcott Franklin on the
24 other, which I assisted and advised ResCap
25 in accomplishing.

1 TIMOTHY DEVINE

2 At the same time I was
3 representing -- I was chief counsel to
4 Ally as well so of course I was advising
5 both ResCap and Ally in connection with
6 the -- the claims that Kathy Patrick
7 purported to make on behalf of those
8 clients.

9 Q. When you were representing
10 ResCap in the initial stages of this
11 discussions and negotiations with
12 Ms. Patrick, who did you report to at
13 ResCap?

14 A. I certainly included Tammy
15 Hamzephour in any discussions. She was
16 general counsel to the ResCap entities. I
17 had conversations with and gave advice to
18 and took input from a variety of business
19 clients.

20 Q. So in addition to Ms. Hamzephour
21 you spoke to other not -- not in-house
22 counsel but other business representatives
23 at ResCap?

24 A. Yes.

25 Q. Do you recall who that would be

376

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2 C E R T I F I C A T I O N

3 STATE OF NEW YORK)

4) ss.:

5 COUNTY OF NEW YORK)

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7 I, ERICA L. RUGGIERI, RPR and a
8 Notary Public within and for the State
9 of New York, do hereby certify:

10 That I reported the proceedings
11 in the within-entitled matter, and
12 that the within transcript is a true
13 record of such proceedings.

14 I further certify that I am not
15 related by blood or marriage, to any
16 of the parties in this matter and
17 that I am in no way interested in
18 the outcome of this matter.

19 IN WITNESS WHEREOF, I have
20 hereunto set my hand this 20th day
21 of November, 2012.

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24 ERICA L. RUGGIERI, RPR

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